HOUSE BILL NO. HB0228

Tax credit education savings accounts.

Sponsored by: Representative(s) Gray, Clem, Edwards, Jennings, Lone, Piiparinen and Salazar and Senator(s) Case and Meier

A BILL for

AN ACT relating to education; establishing the tax credit education savings account program; specifying duties of the state superintendent; providing program requirements; authorizing severance tax credits; providing definitions; providing rulemaking authority; requiring a report; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 21-4-701 through 21-4-703 are created to read:

ARTICLE 7

TAX CREDIT EDUCATION SAVINGS ACCOUNTS
21-4-701. Definitions.

(a) As used in this article:

(i) "Private school" means any nonpublic elementary or secondary school providing a basic academic educational program for children and may include parochial and church or religious schools;

(ii) "Scholarship organization" means a person who is selected to operate a tax credit education savings account program as provided in this article;

(iii) "Tax credit education savings account" means a savings account awarded to a student in Wyoming under the tax credit education savings account program and used only for costs and materials associated with attending a private school in grades kindergarten through twelve (12).

21-4-702. Program operation.
(a) The state superintendent shall recommend to the state loan and investment board at least one (1) applicant to act as a scholarship organization and operate a tax credit education savings account program. The board shall review the recommendation of the state superintendent and select one (1) appropriate person to operate the program. In making a selection under this section the board shall determine if the person has submitted an application in accordance with rule and regulation of the state superintendent that demonstrates that the person is able to administer the program in accordance with the requirements of W.S. 21-4-703.

(b) Not later than December 31 of each year, the state superintendent shall determine the amount of funds actually provided to students through tax credit education savings accounts and amounts that are not expended from the school foundation program account as a result of the operation of the tax credit scholarship program under this article and report those amounts to the joint appropriations committee, the joint education interim committee and the state treasurer. An amount equal to the amount reported by the state superintendent as actually
provided to students through tax credit education savings accounts shall be transferred from the amount that would otherwise be transferred to the school foundation program account under W.S. 9-4-601(a)(ii) and distributed to the severance tax distribution account.

21-4-703. Scholarship organization duties.

(a) A person may apply to the state superintendent as provided under W.S. 21-4-702 to be a scholarship organization.

(b) A scholarship organization selected by the state loan and investment board under W.S. 21-4-702 shall operate a tax credit education savings account program as provided in this section. The program shall:

(i) Provide a mechanism to accept funding for the program;

(ii) Provide a mechanism for the parent or guardian of a student attending public school in Wyoming to apply for an education savings account;
(iii) Provide a preference for awarding tax credit scholarships to students with a household income of less than eighty thousand dollars ($80,000.00);

(iv) Limit the annual amount that each student may receive under the program to not more than six thousand dollars ($6,000.00);

(v) Provide a mechanism to ensure savings accounts awarded under the program are used only for costs associated with attending private schools in Wyoming;

(vi) Report information on the program as required by rule and regulation of the state superintendent including information on the students who are awarded tax credit education savings account, the private schools that are being attended by those students and any other information necessary to enable the superintendent to determine if the tax credit education savings account program is being operated effectively.
(c) The scholarship organization may use not more than five percent (5%) of the amounts received under paragraph (b)(i) of this section for the costs of operating the program. The state superintendent may request an accounting of funds expended under this subsection.

(d) Any person who provides funding for the tax credit scholarship program under paragraph (b)(i) of this section may apply for a tax credit under W.S. 39-14-109(d)(iv) or 39-14-209(d)(iv) in an amount equal to the total amount the person actually provided to fund the tax credit scholarship program, provided that the total amount of credits shall not exceed the amount actually distributed to students through education savings accounts. In the event that more funds are provided than are distributed to students through education savings accounts, the amount of credits available under this section shall be prorated among each person who provided funding based on the ratio of how the funding provided by that person bears to the total amount of funding provided under paragraph (b)(i) of this section. Excess funding provided under paragraph (b)(i) of this section that is not used for scholarships or as provided under subsection (c) of this
section shall be refunded to the person who provided the funding.

Section 2. W.S. 9-4-601(a)(ii) and by creating a new paragraph (xii), 39-14-109(d) by creating a new paragraph (iv) and 39-14-209(d) by creating a new paragraph (iv) are amended to read:

9-4-601. Distribution and use; funds, accounts, cities and towns benefited; exception for bonus payments.

(a) All monies received by the state of Wyoming from the secretary of the treasury of the United States under the provisions of the act of congress of February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191), as amended, or from lessees or authorized mine operators and all monies received by the state from its sale of production from federal mineral leases subject to the act of congress of February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191) as amended, except as provided by subsection (b) of this section, shall be deposited into an account and the first two hundred million dollars ($200,000,000.00) of revenues received in any fiscal year shall be distributed
by the state treasurer as provided in this subsection. One percent (1%) of these revenues shall be credited to the general fund as an administrative fee, and the remainder shall be distributed as follows:

(ii) Subject to paragraphs (xi) and (xii) of this section, forty-four and eight-tenths percent (44.8%) to the public school foundation program account subject to allocations under W.S. 9-4-605;

(xii) From the amounts which would otherwise be distributed to the school foundation program account under paragraph (ii) of this subsection, there is annually appropriated the amount determined under W.S. 21-4-702(b) to be distributed to the severance tax distribution account.


(d) Credits. The following shall apply:
(iv) A taxpayer may apply for a credit equal to amounts actually provided for the tax credit education savings account program as provided in W.S. 21-4-703(d), provided that the total amount of credits under this paragraph shall not exceed the amounts actually distributed to students through education savings accounts. Tax credits shall be prorated, if applicable, among all persons that provided funding for the program as provided in W.S. 21-7-703(d). The credit shall not apply to any tax due under W.S. 39-14-104(a)(i).

39-14-209. Taxpayer remedies.

(d) Credits. The following shall apply:

(iv) A taxpayer may apply for a credit equal to amounts actually provided for the tax credit education savings account program as provided in W.S. 21-4-703(d), provided that the total amount of credits under this paragraph shall not exceed the amounts actually distributed to students through education savings accounts. Tax credits shall be prorated, if applicable, among all persons that provided funding for the program as provided in W.S.
21-7-703(d). The credit shall not apply to any tax due under W.S. 39-14-204(a)(i).

Section 3. The state superintendent shall adopt rules and regulations as necessary to begin accepting applications for implementation of the tax credit scholarship program in school year 2017-2018.

Section 4. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)